

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 9792  
**COMPANY NAME** : SEG INTERNATIONAL BHD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management, monitoring the achievement of these goals and overseeing the investments of the Group. The Board formulates the strategic plans, deliberating and directing the strategic plans and policies and strategic allocation of the Group's resources to align with the overall objectives of the Group. The Board oversees and monitors relevant ethical conducts and regulatory compliance as well as questions the management on certain key areas based on information provided.</p> <p>The Board delegated specific powers and responsibilities to the Board Committees in discharging its responsibilities and fiduciary duties and to assist the Board to oversee the business affairs of the Group. Each Board Committee operates within their clearly defined terms of reference. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to the Board's approval. None of the individual Board members has unfettered power of decision.</p> <p>The Executive Committee ("Exco") which is chaired by the Group Managing Director, reviews the annual business plan and performance of the Group, and is authorised to transact business transactions within its limits. These include a review and assessment of the strategic position of the Group, setting out short term and long term plans, overseeing the business operations, formulate policies and evaluating whether these are being properly and effectively managed.</p> <p>Certain management committees are in place to carry out the general day-to-day management of the Group under the direct authority of the Group Managing Director. The Board will communicate with management to discuss any matters that may have material impact on</p>

	the Group's performance as a whole, including reviewing the actions taken by the management periodically.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, is an Independent Non-Executive Director. He is responsible for ensuring Board's effectiveness and conduct.</p> <p>The responsibilities of the Chairman include:</p> <ul style="list-style-type: none"><li>a. leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;</li><li>b. overseeing the Board in the effective discharge of its supervisory role;</li><li>c. ensuring the integrity and effectiveness of the governance process of the Board;</li><li>d. facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between Directors and between the Board and management; and</li><li>e. ensuring that there is regular and effective evaluation of the Board's performance.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The role of the Independent Non-Executive Chairman and the Group Managing Director are distinct and separate to ensure there is a balance of power and authority. The Chairman, Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, is responsible for ensuring Board's effectiveness and conduct whilst the Group Managing Director, Tan Sri Clement Hii Chii Kok, has overall responsibilities for the operating units, organisational effectiveness and implementation of the Board's policies and decisions, and to consult and inform the Board on matters that are sensitive, extraordinary or of a strategic nature.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	Currently, Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, the Chairman of the Board is also the Chairman of the Nomination Committee ("NC") and Remuneration Committee ("RC").  The Board is aware of the departure and is looking for suitable candidate(s) for the positions.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretaries play an important advisory role and is a source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group. The Company Secretaries advise the Board on its roles and responsibilities, as well as on regulatory requirements and corporate governance matters.</p> <p>The Company Secretaries are responsible to ensure the proper conduct of the Board and Board Committee meetings according to the rules and regulations and the Board's deliberations at meetings are properly documented.</p> <p>Cheryl Chong Poh Yee, the Group Financial Officer, has more than 30 years of experience in the fields of accountancy, financial services and corporate services. She is a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants and a Chartered Accountant with the Malaysian Institute of Accountants. She also holds a Master of Business Administration (International Business) from University of Southern Queensland, Australia.</p> <p>Hew Ling Sze was admitted as an Associate of The Institute of Chartered Secretaries and Administrators in 1996. In 1997, she graduated with a Master of Business Administration majoring in International Investment from Universiti Kebangsaan Malaysia. She has more than 20 years of experience in corporate, management consultancy and secretarial services.</p> <p>The Company Secretaries are also the Secretary for all Board Committees.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Board meetings are structured with a pre-set agenda, whereby prior to each Board meeting, all Directors are provided with a set of Board papers containing information relevant to the business of the meeting prior to the meeting, to ensure deliberations at the meeting are focused and constructive and facilitate decision making. Management team and external advisers, if necessary, are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda.</p> <p>Minutes of the meetings would be circulated to the Directors on a timely basis for review and thereafter for confirmation at next Board meeting. The minutes of the various Board Committees will be included in the board papers for information.</p> <p>The signed Board minutes are entered in minutes books kept by the Company Secretary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter set out the roles, functions, composition, operation and processes of the Board and to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.</p> <p>The Board Charter would act as a source reference and primary induction literature, providing insights to prospective Board members and senior management. It will also assist the Board in the assessment of its own performance and that of its individual members.</p> <p>The Board Charter sets out obligations that Directors, officers and employees are expected to behave when performing their duties which include but not limited to the following:</p> <ul style="list-style-type: none"><li>• compliance with legislation, regulatory and Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”);</li><li>• to act in the best interest of the Group;</li><li>• to act honestly and with integrity;</li><li>• accountability and responsibility; and</li><li>• recognise the importance of corporate responsibility.</li></ul> <p>The Board Charter will be reviewed periodically to ensure its adequacy, and updated in accordance with the needs of the Company and any new regulations that may have an impact on the Board's responsibilities. The Board Charter is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.</p> <p>The Board adopted the Code of Conduct ("Code") to address matters relevant to the Company's legal obligations as well as other obligations to its stakeholders. This is to ensure the interests of shareholders are protected and the confidence of the investment market is maintained whilst having regard for the interests of all stakeholders including customers, employees, suppliers and local communities. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.</p> <p>The Code sets out obligations that Directors, officers and employees are expected to behave when performing their duties. The Board's key responsibilities are to:</p> <ul style="list-style-type: none"><li>• oversee the overall strategic plan and performance of the Group's business and develop initiatives for profit and asset growth;</li><li>• oversee, evaluate and monitor the conduct of business of the Company and the Group and their corporate strategies;</li><li>• approve and monitor financial and other reporting as required;</li><li>• identify business risks and ensure that the appropriate risk management framework, internal control systems, code of conduct and compliance frameworks are in place and operating effectively and efficiently;</li><li>• approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestments;</li><li>• ensure that appropriate corporate governance and the adequacy and integrity of the management information and internal control systems are established and maintained;</li></ul>

	<ul style="list-style-type: none"> <li>• select, appoint and evaluate the performance of, determine the remuneration of, plan for the successor of and, where appropriate, removal of senior executives;</li> <li>• establish a succession plan;</li> <li>• ensure that the Board continues to have the blend of skills, experience and attributes appropriate for the Company and its business, and to this end ensure, that appropriate Directors are selected and appointed as required;</li> <li>• monitor the performance of the Company's management and ensure appropriate resources are available to the management; and</li> <li>• develop and implement an effective communication channel between the Board, shareholders and general public.</li> </ul> <p>Any employee who knows of, or suspects a violation of the Code, is encouraged to whistle-blow or report their concerns as provided under the Whistle-Blowing Policy.</p> <p>The Code will be reviewed and updated regularly to meet SEGi's needs and to address the changing conditions of the Company. The Code is available on the Company's website.</p>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has a whistle-blowing policy to provide employees with an accessible avenue to report in good faith of any suspected wrongdoing which includes suspected fraud, misappropriation of assets, criminal breach of trust, corruption, questionable or improper accounting records, misuse of confidential information and acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies.</p> <p>Employees are encouraged to report any misfeasance by any persons in the workplace to the appropriate parties within the Group. Proper investigations on all allegations or reports from within and outside the Group will be carried out to ensure that all concerns received are appropriately accounted for and reported to the right channel.</p> <p>Should the employees still have concerns after the investigation(s) or if the employees feel the matter is so serious that it cannot be discussed with the parties concerned, they are able to bring their concerns to Dato' Amos Siew Boon Yeong, the Senior Independent Non-Executive Director.</p> <p>The summary of the whistle-blowing policy is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>While the Board is primarily responsible for the Group's sustainability efforts, it is assisted by the Sustainability Committee. The Committee comprises representatives from various departments, SEGi University and SEGi Group of Colleges, and is currently led by our Group Chief Executive Officer, Professor Hew Moi Lan.</p> <p>The Sustainability Committee is tasked with considering and evaluating:</p> <ul style="list-style-type: none"> <li>➤ How the Group's operations impact various stakeholders;</li> <li>➤ The adequacy and effectiveness of sustainability initiatives and processes; and</li> <li>➤ How these initiative and processes could be improved to support our long-term business growth.</li> </ul> <p>The Committee also monitors and manages all sustainability strategies and initiatives of the Group as well as proposes new initiatives to assist in the Group's sustainability integration.</p> <p>The progress status will be tabled in the Board meetings for information and decision.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.2**

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The sustainability strategies, priorities and targets as well as the outcomes are reported in the Sustainability Statement which forms part of the annual report. The annual report, once ready, will be uploaded on the Company’s website. The internal and external stakeholders will be able to continue stay informed of the Company’s sustainability strategies, priorities, targets, achievements and other related disclosures through the annual report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board is kept abreast with sustainability issues relevant to the Company and its businesses. The Chairperson of the Committee will report and make recommendations to the Board periodically, to facilitate decisions regarding sustainability initiatives and policy decisions that can be undertaken by the Group. Senior Management is responsible for executing and implementing the sustainability initiatives and strategies once adopted.	
<b>Explanation for departure</b>	:		
	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The environmental, social and governance (“ESG”) consideration and sustainability targets are incorporated in Board evaluation. The Company will continue reviewing on the performance of the Board on ESG and enhance the ESG consideration and sustainability targets, if need be.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Board has vested the task to the Sustainability Committee which is now led by the Group Chief Executive Officer, Professor Hew Moi Lan. The Sustainability Committee together with the Senior Management will monitor the implementation of sustainability-related measures and actions in achieving the Group's sustainability milestones and goals. The Committee will ensure that the sustainability strategies address key sustainability matters related to ESG and monitor the implementation of the sustainability strategies as approved by the Board. The Committee also oversees the preparation and development of sustainability disclosures/reporting as required by Bursa Malaysia Securities Berhad ("Bursa Securities").

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC examines the effectiveness of its present Board size in discharging its duties periodically. The NC conducts annual assessments of the Board in respect of their skills, experience, contributions and other qualities including core competencies. The NC also assesses the Independent Directors on their ability to discharge their duties with unbiased and independent judgement.</p> <p>The NC also reviewed and deliberated on the list of Directors to retire by rotation, together with the results of the evaluation for re-appointment of the respective Directors. The NC was satisfied with their performance and recommended to the Board to table their re-election at the forthcoming Company's Annual General Meeting ("AGM").</p> <p>The NC viewed the evaluation exercise as a constructive platform for the Board to discuss the areas for improvement and formulate corrective measures, where required, to enhance the effectiveness of the Board</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.2**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board, led by an Independent Non-Executive Chairman, is currently made up of eight members, of whom four (4) are Independent Non-Executive Directors, two (2) are Non-Independent Non-Executive Directors and two (2) are Executive Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has obtained shareholders' approval during the 35<sup>th</sup> AGM for the independence position of Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, Dato' Amos Siew Boon Yeong and Dato Goh Leng Chua.</p> <p>The Board assesses the independence of the Independent Directors on an annual basis and is of the opinion that the ability of an independent Director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity, regardless of his tenure as an Independent Non-Executive Director and they met the Independence guidelines as set out in Chapter 1 of the MMLR.</p> <p>In respect of the financial year under review, the self-assessment checklist for Independent Directors also indicated that the Board consists of a good balance of Independent Directors and the Directors are capable to resolve those potential areas of conflicts that may impair the independence of the Independent Directors.</p> <p>The Independent Directors consistently provided objective and constructive feedback during the Board meetings and challenged the management with their valuable viewpoints and experiences. The Independent Directors did not compromise their independent status and ability to act in the best interest of the Group.</p> <p>The Board, based on the review and recommendations made by the NC, was satisfied with them as Independent Directors of the Company, and therefore recommended their retention as Independent Non-Executive Directors for shareholders' approvals at the AGM for their retention as Independent Directors.</p> <p>For the forthcoming AGM, Tan Sri Megat Najmuddin, Dato' Amos Siew and Dato Goh Leng Chua will be subjected to the shareholders' approval through the two-tier voting process for their retention as Independent Directors.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	



**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.5**

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board supports the need for diversity amongst the Board and workforce, amongst others, including in race, ethnicity, age, gender, skills and competencies, where possible.</p> <p>The Board believes that its membership is selected based on each candidate’s skills, experience, core competencies and other qualities, regardless of gender.</p> <p>The Board believes that there are benefits in having a diverse Board and workforce as it will improve board functioning and decision making processes. The Board endeavours to ensure that gender, ethnicity and age diversity will be taken into consideration in nominating and selecting prospective Director(s) to be appointed on the Board, if any.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The proposal for new appointment(s) including those proposed by the major shareholders and other Board members, will be tabled for assessment and evaluation by the NC before he/she is recommended to the Board for approval.</p> <p>The Board would also consider sourcing new Directors via industry and professional associations and independent search firms.</p> <p>The NC assesses the candidate(s) based on his/her character, experience, competencies, integrity, time commitment and contribution to ensure that the potential candidate(s) possess the appropriate skills, core competences and experiences to discharge their role as Director(s). The nominees are expected to confirm and undertake that they will have sufficient time to meet the Board's expectations and will notify the Chairman before accepting any new directorship or taking up additional roles.</p> <p>In the case of candidate(s) being considered for the position of independent director, the NC will ensure that such potential candidate(s) has/have the ability to discharge such responsibilities/functions as expected from independent non-executive directors. Amongst others, the potential candidate(s) must fulfil the criteria as prescribed by MMLR and be able to give independent and objective judgement to the Board.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC will review and deliberate on the list of Directors to retire by rotation, together with the results of the evaluation for re-appointment of the respective Directors. Upon satisfaction of their performance, the NC will recommend their re-election to the Board for tabling for shareholders' approval at the Company's forthcoming AGM.</p> <p>The Company will also provide a statement accompanying the Notice of AGM as required under Paragraph 8.27(2) of the MMLR together with the Directors' profile to keep the shareholders informed of the performance and background of the Directors who are subject to retirement by rotation. The shareholders should be able to make an informed decision on the appointment and re-appointment of the Directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NC is chaired by an Independent Director, Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board currently has one (1) female Director. The Board is aware of the requirement and will source for suitable candidate(s) for the positions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>In pursuing its gender diversity agenda, the Board will take steps to ensure that women candidates are sought in its recruitment exercise for Board and Senior Management positions.</p> <p>Currently, the Board targets to have at least 30% women holding key positions in the organisation. Gender diversity, when extended to Senior Management, will also serve as a talent pipeline for Board candidacy.</p> <p>The Board currently has a woman Director on the Board and, together with the Senior Management, the Group has approximately 43% women holding key positions in the organisation (2020: 41%).</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NC conducts annual assessment of the Board in respect of their skills, experience, contributions and other qualities including core competencies, as well as of its Independent Directors to assess whether the Independent Non-Executive Directors are able to discharge their duties with unbiased and independent judgement.</p> <p>During the financial year under review, the NC conducted a self and peer appraisal by the Directors to evaluate the Directors based on the following:</p> <ul style="list-style-type: none"><li>(a) on the effectiveness of the Board and its Committees as a whole based on specific criteria, covering areas such as Board structure and operation, the required mix of skills and experience of the Directors and Board Committees, principal responsibilities of the Board and Board Committees, size of non-executive participation and Board governance; and</li><li>(b) on the contributions of individual Director and Committee member based on specific criteria, including contributions to deliberations, role and duties, knowledge, expertise, integrity, time commitment, independence and training programmes attended.</li></ul> <p>The NC also reviewed and deliberated on the list of Directors retire by rotation, together with the results of the evaluation for re-appointment of the respective Directors. The NC was satisfied with their performance and recommended to the Board to table their re-election as Directors at the Company's forthcoming AGM for shareholders' approval.</p> <p>The NC assessed the Independent Directors' independence based on the criteria set out in MMLR.</p>



	<p>In respect of the financial year under review, the rating results of the self-assessment checklist for Independent Directors demonstrated the Directors' independence in their judgement and clarity of thought in problem solving.</p> <p>The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative or consecutive term of nine years as per the recommendation of the Malaysian Code on Corporate Governance ("MCCG"). However, the Board is of the opinion that the ability of a Director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity, regardless of his tenure as an Independent Non-Executive Director.</p> <p>Notwithstanding that Tan Sri Dato' Seri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas, Dato' Amos Siew Boon Yeong and Dato Goh Leng Chua served the Company as Independent Directors for more than nine years, the Board has evaluated them and agreed that all the Independent Directors:</p> <ul style="list-style-type: none"> <li>• met the independence guidelines as set out in Chapter 1 of MMLR;</li> <li>• have actively participated in the Board's deliberations, provided objectivity in decision making as they possess in-depth knowledge of the Company's operations, and were impartial in their opinion to the Board;</li> <li>• are unafraid to express an unpopular stance on issues and approaches any transactions that require Board's approval with a watchful eye and an inquiring mind;</li> <li>• have contributed sufficient time and exercised due care during their tenure as Independent Directors of the Company, and carried out their professional duties in the best interest of the Company and shareholders; and</li> <li>• have vast experience, expertise and the ability to make independent judgments to challenge management in an effective and constructive manner.</li> </ul> <p>The Board, based on the review and recommendations made by the NC, was satisfied with them as Independent Directors of the Company. The Board recommended their retention as Independent Non-Executive Directors based on the reasons enumerated above and will seek shareholders' approvals at the forthcoming AGM for their retention as Independent Directors, while exploring suitable candidates in fulfilling the requirements of MCCG 2021.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has set up its Remuneration Policy for Directors and Executive Management. The Remuneration Policy is designed to support key business strategies and create a strong, performance-orientated environment.</p> <p>The objective of the Policy is to attract, motivate and retain Directors and talents of calibre needed for the achievement of the Company's strategic objectives. The remunerations of the Executive Directors are structured so as to link rewards to their performances. The Non-Executive Directors are paid annual fees for their contributions to the Company.</p> <p>A copy of the same is available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is responsible for developing the remuneration policy framework and to make recommendations to the Board on the remuneration packages of the Directors.</p> <p>The objectives of the RC are to ensure that the remuneration policies of the Company are competitive, thereby enabling the Company to attract and retain high calibre executives and at the same time protect the interests of the shareholders.</p> <p>The RC carried out an annual review of the Directors' remuneration whereupon recommendations were submitted to the Board for approval. The RC will ensure the Directors' remuneration packages are aligned with the Group's business strategy and long term objectives.</p> <p>The terms of reference of the RC are available on the Company's website.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Detailed disclosure on named basis for the remuneration of individual Directors for the financial year ended 31 December 2021 is set out below. The remuneration breakdown of individual Directors includes fee, salary, bonus, benefits in kind and other emoluments, as follows:  <ul style="list-style-type: none"><li>✓ Other emoluments include statutory contributions.</li><li>✓ Nicholas Rupert Heylett Bloy and Edwin Fua Chye Jin agreed to waive their directors' remuneration in respect of their appointment as Directors of the Company.</li></ul>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Clement Hii Chii Kok	Executive Director	0	0	120,000	0	0	4,800	124,800	0	0	120,000	0	0	4,800	124,800
2	Professor Hew Moi Lan	Executive Director	0	0	545,641	0	20,525	65,478	631,644	0	0	545,641	0	20,525	65,478	631,644
3	Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Hj. Megat Khas	Independent Director	93,500	0	0	0	0	0	93,500	93,500	0	0	0	0	0	93,500
4	Dato' Amos Siew Boon Yeong	Independent Director	62,700	0	0	0	0	0	62,700	62,700	0	0	0	0	0	62,700
5	Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil	Independent Director	55,000	0	0	0	0	0	55,000	55,000	0	0	0	0	0	55,000
6	Dato Goh Leng Chua	Independent Director	55,000	0	0	0	0	0	55,000	55,000	0	0	0	0	0	55,000
7	Nicholas Rupert Heylett Bloy	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Edwin Fua Chye Jin	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board noted the requirements of the remuneration for the Senior Management of the Company, in bands of RM50,000. After considering the highly competitive market for talents in the Education industry, the Board is of the opinion that the disclosure of Senior Management's remuneration would not be in the best interest of the Group and it also due to confidentiality and security concerns. The Board is also of the view that the disclosure of Senior Management's remuneration in the Audited Financial Statements are adequate as it complies with the requirement of the applicable approved accounting standards.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee ("AC") is Dato' Amos Siew Boon Yeong, while the Chairman of the Board is Tan Sri Megat Najmuddin Bin Dato' Seri Dr. Haji Megat Khas. Both of them are Independent Non-Executive Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The policy on observation of a cooling-off period of at least 3 years for a former audit partner prior to his appointment as a member of AC was adopted in the Terms of Reference of the AC.  A copy of the Terms of Reference of AC is available on the Company's website.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The AC undertakes an annual assessment of the suitability and independence of the external auditors, including their performance and quality of work and non-audit services. The AC will also take into consideration the comments and viewpoints of the management during the annual assessment.</p> <p>The external auditors declared their independence to the AC and their compliance with By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.</p> <p>The AC recommended the external auditors' re-appointment to the Board and for the Board to table for shareholders' approval at the forthcoming AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman and members of the AC are financially literate, and have carried out their duties in accordance with the Terms of Reference of the AC. The qualification and experience of the AC members are set out in the Directors' Profile in the Annual Report.</p> <p>The AC provides assistance to the Board in fulfilling its fiduciary responsibilities, particularly in areas relating to financial accounting and reporting practices. The AC also assists the Board in reviewing annual financial statements and unaudited interim results to ensure accuracy and adequacy.</p> <p>In summaries, the AC participated actively in the following:</p> <p>i. Financial reporting</p> <ul style="list-style-type: none"><li>• Reviewed the quarterly reports of the Group and audited financial statements of the Company and the Group before recommending for the Board's approval. The AC enquired the management on the fluctuations in the financial performance and position of the Group and made enquiries on the adequate processes and controls in place to ensure the accuracy of reporting.</li><li>• Reviewed the Company's compliances, in particular the quarterly reports and audited financial statements, with the provisions of the Companies Act 2016, MMLR, applicable approved accounting standards in Malaysia and other relevant legal and regulatory requirements. The AC also made enquiries on the change of accounting policies, if any, to ensure conformity to the applicable approved accounting standards.</li></ul>



	<p>ii. External auditors</p> <ul style="list-style-type: none"> <li>• Reviewed the external auditors’ scope of work and audit plans for the year prior to the audit with the representatives from the external auditors who presented their audit strategy and plan.</li> <li>• Reviewed with the external auditors the results of the audit and the audit report and considered the major findings by the external auditors and the management’s responses thereto.</li> <li>• Reviewed the assistance given by the Group employees to the auditors.</li> <li>• Considered and recommended to the Board for approval the audit fees payable to the external auditors.</li> <li>• Performed annual assessment to evaluate the objectivity, performance and independence of the external auditors, including their suitability, independence, performance and quality of work provided and recommended to the Board to table for shareholders’ approval on their re-appointment.</li> <li>• Reviewed and assessed the quotations for the non-audit services from the external auditors and ensured that the provision of these services would not compromise the external auditors’ independence, if they are being engaged for their services.</li> <li>• Met with the external auditors independently without the presence of the management.</li> </ul> <p>iii. Internal auditors</p> <ul style="list-style-type: none"> <li>• Reviewed the effectiveness of the internal audit process, audit function resource requirements, and assess the performance of the internal auditors to ensure internal audit works are being carried out primarily in line with the International Professional Practices Framework (“IPPF”).</li> <li>• Reviewed the 2022 Internal annual audit plan to ensure adequacy of scope and coverage of the activities of the Company and the Group.</li> <li>• Reviewed with the internal auditors the results of the audit, the audit report, and the significant/repeated findings highlighted including the management’s responses and the follow-up action plans implemented to address these findings.</li> <li>• Reviewed with the internal auditors the special assignments performed during the year and the results thereof.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Met with the internal auditors independently without the presence of the management.</li> </ul> <p>iv. Reviewed the Company’s AC Report and Statement on Risk Management and Internal Control (“SORMIC”) to ensure the contents therein are accurate and in compliance with the MMLR, prior to approval by the Board.</p> <p>v. Reviewed the related party transactions entered into by the Company and the Group and the disclosure of such transactions in the annual report of the Company, if necessary.</p> <p>vi. Reviewed the whistle-blowing issues, the investigation(s) carried out, where necessary, the outcome(s)/finding(s) of the investigation(s).</p> <p>vii. Reviewed the extent of the Group’s compliance with provisions set out in the MCCG in relation to financial reporting and Internal Audit function and recommended to the Board action plans to address identified gaps between the Group’s existing corporate governance practices and the prescribed corporate governance principles and best practices under the MCCG.</p> <p>All AC members undertake continuous professional development to keep themselves abreast of relevant developments in accounting and financial reporting standards to enable them to participate actively during deliberations.</p> <p>The NC also evaluates the AC annually on the following areas:</p> <ul style="list-style-type: none"> <li>- quality and composition;</li> <li>- skills and competencies; and</li> <li>- meeting administration and conduct.</li> </ul> <p>The ratings indicated that the composition of the AC is satisfactory and the members have sufficient and relevant expertise in fulfilling their roles and responsibilities.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has entrusted the Risk Management Committee (“RMC”) and AC to review the risk management processes and internal control state within the Group.</p> <p>During the year, the AC had met 5 times and reviewed the Internal, Follow-up and Special audit reports presented by the Director, Internal Audit. The outcomes of the meetings were also presented to the Board.</p> <p>During the year, the RMC had met twice to review status of implementing the agreed actions plan to mitigate current and new business risks faced by the Company and Group. The outcomes of the meetings were also presented to the Board.</p> <p>The Compliance Learning was introduced as part of the agenda of RMC Working Committee (“RMWC”) Meeting so that the RMWC will be educated for those compliance issues and their importance. RMWC was set up to assist RMC to identify and review the risk profile of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Group is applying the following internationally recognised standards closely to ensure adequacy and effectiveness of its risk management and internal control system:  i) Risk management-ISO 31000:2009 and ii) Internal audit-IPPF.  The key features of risk management and internal control framework are duly disclosed in the SORMIC which formed part of the 2021 annual report. Please refer to the SORMIC as set out in the 2021 annual report for details.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b> :	Not Adopted
<b>Explanation on adoption of the practice</b> :	

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Internal Audit charter (“IAC”) is established which spelt out Mission, Policy, Scope of work, Responsibility, Authority, Accountability and Independence of the Internal Audit Department (“IAD”).</p> <p>Yearly Internal Audit Plan is reviewed and approved by the AC to ensure key Business units and Corporate functions are covered. The AC also reviewed the audit scope and coverage to ensure appropriateness in relation to the business of the Group and it covered significant business risks being tracked by the RMC.</p> <p>The Director, Internal Audit is required to report to the AC whether the internal audit activities are being carried out closely with the IPPF and Group Internal Audit SOP to ensure effectiveness of the internal audit function.</p> <p>The AC Report in the 2021 annual report provides details on the other steps carried out by the AC to ensure effectiveness and independent of the internal audit function. Please refer to the AC Report and SORMIC as set out in the 2021 annual report for details.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has set up its in-house Internal audit function to assist the AC and RMC to ensure effectiveness of the risk management and internal control framework.</p> <p>The IAD is staffed by 3 and it is led by Ms. Jade Lim Yuen Har (Director, Internal Audit). Ms. Jade Lim obtained her Bachelor of Science in Accounting and Finance from the University of London (External Programme) in 2002. She is also a member of the Association of Chartered Certified Accountants (ACCA) and The Institute of Internal Auditors Malaysia (CMIIA).</p> <p>The Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence. The internal audit personnel report directly to the AC.</p> <p>A risk-based approach is adopted in establishing the internal audit programme where major risk areas will be identified. The audits are carried out based on the detailed audit procedures as stated on the audit programme designed for each of the audit area based on the level of risk identified.</p> <p>The internal audit activities are carried out in accordance with the internal audit plan which is designed to assess the adequacy, efficiency and effectiveness of the Group's internal control and management reporting system.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of an effective communication channel between the Board, shareholders and general public. The Board acknowledges the need for shareholders and other stakeholders to be informed of all material business matters affecting the Company and its latest business and corporate developments. The Board believes that an effective investor relationship is essential in enhancing value to its stakeholders.</p> <p>Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and the general public would have an easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information through the following channels:</p> <ul style="list-style-type: none"><li>• the various disclosures and announcements to Bursa Securities including quarterly and annual results via <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a>;</li><li>• the Company's website at <a href="http://www.segi.edu.my">www.segi.edu.my</a>; and</li><li>• the Company's investor relations website at <a href="http://segi.investor.net.my">segi.investor.net.my</a>.</li></ul> <p>Whilst the Company endeavours to provide as much information as possible, it is aware of the legal and regulatory framework governing the release of material and price sensitive information.</p> <p>The Company sets out in its Shareholder Communication Policy the framework that it has put in place to promote effective communication with the shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.</p> <p>SEGi Shareholder Communication Policy is available on the Company's website and will be reviewed regularly by the Board to ensure that it continues to remain relevant and appropriate.</p> <p>The Company will also conduct press conferences and regular meetings with analysts to update them on the latest development of the Company, if necessary. Analyst reports are available to the public via</p>

	<p>the Group's investor relations website at <a href="http://segi.investor.net.my">segi.investor.net.my</a>. The Head of Investor Relations Department and the Company Secretary are responsible for ensuring that the information contained in the investor relations website is accurate and up-to-date.</p> <p>The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the designated persons.</p>	
<p><b>Explanation for departure</b></p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	:	
<p><b>Timeframe</b></p>	:	

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	This Practice is not applicable to us as the Company is not a “Large Company” by virtue of its market capitalisation as at 1 January 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board observes the requirement under the Practice 13.1 of MCCG to serve notice for at least 28 days prior to the meeting, and will strive for it to ensure the shareholders are given sufficient notice and time to peruse the annual report and consider the resolutions that will be discussed and decided at the General Meetings.</p> <p>The Company served more than 28 days of notice for its 35<sup>th</sup> AGM, and would consider to continue serving for the 28-day notice, at least, for its future general meetings as recommended under the MCCG.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors attended the Company’s 35<sup>th</sup> AGM. The Directors engaged directly with shareholders and are accountable for their stewardship of the Company.</p> <p>The Chairman of AC, NC, RC, RMC and Exco were available to respond to questions addressed to them, if any.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.3**

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman and the Board encourage shareholders to attend and participate in the AGM, as it forms an important platform where the shareholders can engage directly with the Board and the management and take the opportunity to raise questions and seek clarification on any matters pertaining to the business and financial performance of the Group. The Directors and senior management, together with the External Auditors, are available to respond to questions from the shareholders during the meeting.</p> <p>In 2021, the Company conducted its first virtual AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities. In view of the COVID-19 pandemic which has yet to be eradicated substantially, the Company will consider for the coming AGM to be conducted virtually to give shareholders and/or proxies an opportunity to participate in the AGM effectively and safely.</p>
<b>Explanation for departure</b>	:	  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The shareholders are encouraged to attend and participate in the AGM, as it forms an important platform where the shareholders can engage directly with the Board and the management and take the opportunity to raise questions and seek clarification on any matters pertaining to the business and financial performance of the Group.</p> <p>In 2021, the Company conducted its first virtual AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities. All Board members, together with the chairman of the respective Board Committees, the management and the External Auditors, attended the AGM. The Group Managing Director attended to questions raised during the AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>In 2021, the Company conducted its first virtual AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities. The broadcast of the AGM was smooth through the RPV.</p> <p>The Company's meeting was run smoothly and the responses to the questions posed by shareholders were provided during the meeting. All questions submitted by the shareholders of the Company prior to and during the AGM, and the responses to the questions were read out by the Group Managing Director during the online broadcasting AGM.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the AGM of the Company was made available on the Company's website within thirty (30) business days from the date of AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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